Washington, DC – Congressman Sanford D. Bishop, Jr. (GA-02) today signed onto a letter to Speaker of the House Nancy Pelosi, House Majority Leader Steny Hoyer, and House Ways and Means Committee Chairman Sander Levin urging that the U.S. House of Representatives extend the Bush 2003 tax rates on dividends and long-term capital gains.

“With the state of our fragile economic recovery, now is not the time to raise taxes that would impede job creation and take money out of the pockets of our nation’s seniors,” said Congressman Bishop. “Seniors rely on dividend income to supplement their fixed Social Security payments. We owe it to our seniors to look out for them in this time of economic instability.”

Last week, Bishop sent a letter to the House Leadership requesting that substantial estate tax relief be included in any upcoming tax legislation. Bishop also joined 30 of his colleagues in the Blue Dog Coalition, a group of fiscally conservative Democrats, in signing a letter to Speaker Pelosi and Majority Leader Hoyer urging them to consider legislation to extend all of the 2001 income tax cuts.

The text of the letter is as follows:

Dear Speaker Pelosi and Majority Leader Hoyer:

A number of tax cuts enacted in the past decade are due to expire at the end of this year. Our fiscal policy should be one that maximizes economic growth and private sector job creation. That is why we strongly believe that Congress should extend the current tax rates for dividend and long-term capital gains taxes.

By keeping dividends and capital gains tax rates linked and low for everyone, we can help the private sector create jobs and allow seniors and middle class households to save and invest more. A dividends tax increase would impede our nation's economic recovery by decreasing the amount of capital that companies would have access to, thereby slowing the private sector's ability to grow and create jobs.

We also have a responsibility to protect middle class families and seniors from harmful tax increases and their economic impact. Raising the tax rate on dividends would likely cause some companies to forego paying dividends and others to pay a lower amount to shareholders. These outcomes would disproportionately affect seniors and those saving for retirement as they represent a large portion of investors who own dividends paying stocks. Many seniors depend on this income to supplement their fixed retirement income. A recent study found that in 2007 over 27 million tax returns had dividends qualifying for the tax rate reduction. Of those returns, 61 percent were from taxpayers age 50 and older and 30 percent were from taxpayers age 65 and older.

Our economy is fragile. We need tax policies that will promote our recovery. Raising taxes on capital gains and dividends could discourage individuals and businesses from saving and investing. We urge you to maintain the current tax rate for both dividend and long-term capital gains taxes.

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